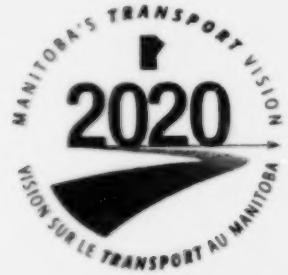


Manitoba Transportation and Government Services

Transports et Services gouvernementaux Manitoba

# 2020 – Manitoba Transportation Vision

## *Strategic Directions Report*

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## 2020 MTV Overview

- The objective of the 2020 MTV consultation process was to ensure a high level of public awareness of our transportation infrastructure challenges and to encourage the public to engage in the debate and to take a shared ownership of the long-term solutions.

- The mandated task was to educate and consult with the broader public on the state of our transportation infrastructure and to achieve a broadly accepted, realistic, and long-term infrastructure investment plan that is both visionary and capable of implementation.

- Manitobans expressed that they were proud of the extensive transportation network in our province because it links most communities and unites Manitobans across our vast landscape. Further, there was an express desire to maintain and enhance the extent of the existing system.

- When 2020 workshop participants were first confronted with the size and complexity of the transportation challenges facing our province, it was clear that many were unaware of the enormity of the challenge.

- Over several decades of restrained federal funding for highway capital improvements, provincial governments have managed to provide a modest level of service. That said, the investments made over the last several decades have not been sufficient to maintain the quality and reliability of our road network.

- Further, over the past twenty years technological advances in transportation have progressed dramatically. These advancements have put unprecedented demands on our transportation infrastructure.

- RTAC routes linking Manitoba communities together, as well as linking Manitoba with inter-provincial and international destinations, form that backbone of our highway network through their ability to sustain heavy loads.

- The complete renewal of our road system would require an estimated investment of $1.6 Billion. As roads and structures continue to age and deteriorate over the next ten years, it is estimated that an additional $1.5 Billion will be required.

- The Provincial Government has consistently invested all revenues from provincial fuel taxes into transportation infrastructure.

- The Federal Government has collected fuel taxes from Manitoba at the rate of some $155 million per year and has, until recently, returned on average less than 5% of those funds back to the province.

- The USA Federal Government collects fuel taxes into a US Federal Highway Trust Fund. Monies collected are distributed based upon a formula. The State of Minnesota receives $500 million per year, 109% of the fuel taxes collected in that jurisdiction. The states of South and North Dakota each receive $200 million per year from the fund. This amounts to 209% and 192% of the fuel tax funds collected in those jurisdictions.

- At every workshop the public raised concerns that transportation infrastructure needs exceed current funding levels. Manitobans also expressed a desire for more participation and funding from the Federal Government. The public indicated that despite the Federal Government's refusal to invest all fuel taxation revenue into transportation infrastructure, Manitoba must move forward with finding its own solutions to our transportation challenges. Given the absence of adequate federal support, we must develop a system for delivering transportation that maximizes efficiency, feasibility and sustainability. The message was clear. We need to increase funding for infrastructure throughout the province.

- Manitobans suggested that the Provincial Government investigate alternative funding sources, such as public/private partnerships, or user-pay systems, as possible solutions.

- Ten general themes emerged from the public workshops and are recognizably necessary elements of a comprehensive transportation vision. An eleventh theme was identified by the Steering Committee and was included in order to make the analysis even more robust and thorough.

- At virtually every workshop, the public expressed the opinion that safety should be a primary consideration when prioritizing transportation infrastructure needs.

- Many jurisdictions around the world have implemented Road Safety Councils. Such councils are charged with the responsibility of reducing the number of injuries resulting from motor vehicle collisions. The councils act to co-ordinate safety improvements in all areas of driver, vehicle, and transportation operations. It is recommended that the Provincial Government examine the possibility of establishing a Manitoba Road Safety Council (MRSC) or some other organizational framework for addressing this need.

- Manitoba, like most jurisdictions in Canada, is seriously challenged in its capacity to maintain an adequate transportation infrastructure, predominantly due to a lack of sustained federal funding. Many 2020 workshop participants have stated that Manitoba should consider innovative options for managing infrastructure delivery, with a particular emphasis on increasing local/municipal control over infrastructure investments.

- At several workshops, participants expressed a desire to have more input into the planning an prioritizing of provincial highway projects.

- The public strongly opposed the excessive use of fossil fuels. Proposals such as a moratorium on rail line abandonment, increased investment in rail transportation, and the development of airships were put forth as alternate solutions to the challenge of providing goods and services into rural, northern and remote isolated communities.

- While there are province-wide transportation imperatives, and from time to time negotiated agreements with the Federal Government, Municipal governments and industry, the Provincial Legislature should be the determining body for capital investment. This will allow for transparency of regional interests and open accountability of elected representatives through the legislative process.

- We trust that Manitobans will find the results of our collective efforts both stimulating and useful as we proceed with the effort to modernize our transportation system through Manitoba's Transportation Vision 2020.

MANITOBA'S TRANSPORT VISION
2020
VISION SUR LE TRANSPORT AU MANITOBA
Manitoba Transportation and Government Services
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# 2020- Manitoba's Transportation Vision

# Strategic Directions Report

## A. Introduction: The Background, Objectives, and Mandate of Vision 2020.

On April 25, 2002 the Minister of Transportation & Government Services announced the **2020 - Manitoba's Transportation Vision** initiative, indicating that the Province of Manitoba would embark on a process to develop a long-term transportation investment plan. The process would begin with extensive public consultations, guided by a ten member steering committee. Through these consultations, the steering committee would seek the views of stakeholders served by the transportation system and reflect those views in a vision for the future. In other words, the views of Manitobans have significantly shaped the following report.

The Steering Committee is comprised of Manitobans representing:

- Assembly of Manitoba Chiefs
- Association of Manitoba Municipalities
- Keystone Agricultural Producers
- Manitoba Chambers of Commerce
- Manitoba Federation of Labour
- Northern Association of Community Councils
- MLA for Selkirk,
- MLA for Flin Flon
- MLA for Transcona.

In addition to the general public, the Steering Committee consulted with the 28 member organizations in the Manitoba Transportation Advisory Council (MTAC) and the 8 member Interdepartmental Advisory Committee (ITAC). Further, the Steering Committee received assistance from the consulting firm ND Lea and support from the Department of Transportation and Government Services.

The vision of this report and the consultation process from which it emerged is the first of its kind for transportation in Manitoba. This uniqueness posed challenges but also enabled the Steering Committee to be open, transparent, and all-inclusive in order to best accommodate the wisdom and opinions of Manitobans. The public workshop process intended to emulate these goals as it proceeded.

The resulting workshops culminated in one of the most inclusive and comprehensive transportation planning processes ever undertaken in Canada. In order to encourage community involvement, the public was advised that the Steering Committee was open to all ideas, suggestions, and solutions that might help solve our transportation challenges.

Public Workshops were hosted in the following 15 communities:

The Pas
Flin Flon
Thompson
Pine Falls
Steinbach
Arbourg
Brandon
Shoal Lake
Selkirk
Notre Dame de Lourdes
Portage la Prairie
Winkler
Winnipeg
Dauphin
Swan River

In addition to the workshops, 7 open public consultation meetings took place in the following communities:

Berens River
Oxford House
Shamattawa
Churchill
Lynn Lake
Pukatawagan
St. Theresa Point

Finally, the Steering Committee met with the Mayor of Winnipeg and his staff in order to attain input and exchange information.

All meeting summary notes are posted to the 2020 MTV web site.

**Objective & Mandate**

The objective of the 2020 MTV consultation process was to ensure a high level of public awareness of our transportation infrastructure challenges and to encourage the public to engage in the debate and to take a shared ownership of the long-term solutions.

The mandated task given to the Steering Committee was to consult with the broader public on the state of our transportation infrastructure. Through education and consultation, the mandate sought to achieve a broadly accepted, realistic, and long-term infrastructure investment plan that is both visionary and capable of implementation.

## B. Consultation Process

To ensure broad community and individual participation, the MTV Steering Committee employed a variety of communication tools intended to encourage participation and to keep the public informed as the consultations progressed. Prior to the community workshops, the Steering Committee undertook a public opinion survey in order to identify issues that could be used to structure the consultation process. In addition, all relevant information was posted on the Transportation & Government Services 2020 MTV web site The open community workshops were supplemented by the availability of comment forms, written submissions, e-mail, and a telephone hot line. Communities were kept informed of progress through news conferences, newsletters, newspaper ads, public service announcements, interviews and radio coverage.

Through the workshop process, Manitobans were informed about the current state of our entire transportation network, with particular emphasis on the road system that is operated by the Provincial Government.

Manitobans were advised that their Provincial Government operates some 18,000 kilometres of roads and highways that contain over 1200 bridge structures. Two thirds of our network is paved and the remainder is gravel. The normal service life of the paved roads is between 20 and 25 years. The average age of our paved provincial road system is now 21 years. Nearly one third of our road system is in need of restoration and rebuilding. Some 4600 kilometres of paved highways and 4500 kilometres of gravel roads do not meet Departmental standards. 123 bridge structures have exceeded their design life of 50 years while a further 222 bridges (145 timber) are between the age of 40 to 50 years and will become candidates for upgrade or replacement within ten years. The complete renewal of our road system would require an estimated investment of $1.6 Billion. As roads and structures continue to age and deteriorate over the next ten years, an additional $1.5 Billion will be required.

The Provincial Government has collected, on average, about $224 M in provincial fuel taxes over each of the last six years. Over the same period of time, an average of $250 million was invested in road related expenditures each year.

The Canadian Federal Government has collected fuel taxes from Manitoba at the rate of some $155 million per year and has returned, on average, less then 5% of those funds to the Province. As Manitobans encouraged during the consultation process, our Provincial Government has continued to pressure the Federal Government to return 100% of gas taxes collected in Manitoba back to Manitoba for infrastructure renewal. The pressure has borne fruit as the Federal government has recently announced a new policy that will return, ramped up over the course of five years, approximately 40% of fuel taxes collected from Manitobans. The funds are to flow to the municipalities for infrastructure expenditures.
By comparison, the USA Federal Government collects fuel taxes into a US Federal Highway Trust Fund. Monies collected are distributed based upon a formula. The State of Minnesota receives $500 Million per year, 109% of fuel taxes collected in that

jurisdiction. The states of South and North Dakota each receive $200 Million per year from the fund. This amounts to 209% and 192% of the fuel tax funds collected in those jurisdictions. Although the new Federal policy (that promises to reinvest approximately 40% of fuel taxes collected from Manitobans back into Manitoba) is a step in the right direction, the inter-jurisdictional comparison above is indicative of the need to continue lobbying the Federal Government for a more complete reinvestment of fuel taxes.

Through the 2020 process, Manitobans were given the opportunity to identify what their priority issues are and to propose solutions that could aid in producing a transportation vision for Manitoba. The Steering Committee specifically asked Manitobans to establish their system values, priorities, and goals and to present them in a plan that is both affordable and achievable.

During the public workshops and consultations, Manitobans were invited to list their "prouds and sorries," thereby identifying the elements of our transportation system that they believe work well and those elements they consider deficient. The public was then invited to priorize these from a global list identified by participants. Common elements are summarized in the table below, in order of the frequency that they were mentioned.

**Province-Wide Commonalties**

| PROUDS | SORRIES |
|---|---|
| **Features of existing highways system**<br>• *Divided highways; paved shoulders; RTAC routes* | **Not enough funding to sustain existing system**<br>• *Low level of federal funding* |
| **Comprehensive transportation network**<br>• *Extensive, especially relative to sparse population* | **System's lack of adaptation to changing circumstances**<br>• *Decreased rail use; damaged roads; environmental impacts; lack of innovation in alternative modes and materials* |
| **System management**<br>• *Competence of MTGS Department; good system considering limited funding* | **Construction & maintenance issues**<br>• *Trans Canada not fully twinned; aging pavements* |
| **Northern access**<br>• *Growing recognition of northern accessibility issues; existing rail system (connection to Churchill); existing air system serving remote communities*<br><br>**Maintenance of major roads**<br>• *Good winter maintenance* | **Lack of vision and planning**<br>• *Politics influences decision-making and priority-setting*<br><br>**Safety issues**<br>• *Road and bridge width; narrow shoulders* |
| **Provincial funding**<br><br>*Money out meets and exceeds money in.*<br><br>**Long-range planning occurring now**<br>• *2020 Public Consultation Process* | **Limited northern access**<br>• *Lack of all-weather roads to some communities; existing air system (high fares, cuts to funding); existing rail system (unreliable passenger service)* |

Through the 2020 initiative, the Steering Committee worked in partnership with transportation stakeholders to create an investment plan and development strategy aimed at an improved transportation network in Manitoba.

Manitobans want a safe, environmentally sound, efficient and sustainable transportation system. Through ***2020 - Manitoba's Transport Vision***, we can improve our present system in ways that maximize economic and social benefits for our communities and help us to attain shared objectives.

Public consultation contributes a province-wide perspective and a unique source of input. Further, it ensures that our communities' values and needs are reflected throughout the planning process. This crucial dialogue between public and government will help us take a realistic look at our resources, identify our transportation needs, set our priorities and allocate our resources appropriately.

Ten general themes emerged from the public workshops and are recognizably necessary elements of a comprehensive transportation vision. Following the public consultation, the 2020 Steering Committee enlisted the aid of members of the Manitoba Transportation Advisory Council (MTAC) and Interdepartmental Technical Advisory Committee (ITAC) in order to consolidate workable themes and strategic directions that accurately reflected the public's input. From meetings with those two groups, the ten distinct themes presented by the Steering Committee gained widespread acceptance, both as accurately representing public input and as providing an adequate structure for a comprehensive vision. An eleventh theme was identified during this process and was included in order to make the analysis even more robust and thorough.

Thus, on behalf of Manitobans, the Steering Committee presents the following eleven themes and the associated recommendations for each.

## D. Themes

### 1. SAFETY

The public has clearly identified that safety should be the number one priority of the Transportation & Government Services Department. Safety concerns expressed by participants revolved almost entirely around highway and driver safety. The most common concerns included road conditions, unpaved shoulders, at-grade intersections, speeding, traffic congestion, and narrow roads and bridges. Safety concerns related to other modes of transportation such as rail and air were predominately raised by residents living in remote communities of northern Manitoba.

At virtually every workshop, safety was identified as a priority consideration when making determinations concerning infrastructure investments.

In a survey of Manitobans conducted during the summer of 2002, Manitobans identified the following safety concerns:

1. Poor road conditions in general (69%)
2. Busy, undivided highways (57%)
3. Speeding vehicles (54%).

The public also expressed a number of other related safety concerns. The priorities identified in this survey were confirmed during the consultation process.

Statistics from Manitoba Public Insurance support the concerns raised in the consultations. Although traffic fatalities are slowly decreasing, the property and personal costs associated with accidents continue to increase.

The annual accident statistics also clearly indicate that many motor vehicle accidents occur on clear dry days, are not caused by an apparent vehicle defect, and in lieu of contributing external factors, are caused by unskilled or dangerous driving practices.

The statistics show that the public concern with road safety is warranted, as every year Manitoba suffers a tremendous cost with the loss of its valued citizens and with the financial costs associated with vehicle accidents. Manitoban's clearly expressed a desire to reduce the number of fatal and serious injuries resulting from motor vehicle collisions. They also recognized, however, that such collisions are not exclusively caused by an inadequate transportation infrastructure so any corresponding reduction in accidents must address a variety of contributing factors, including driving habits.

In order to address the serious personal and financial losses associated with traffic collisions, many jurisdictions around the world have implemented Road Safety Councils. Such councils are charged with the responsibility of reducing the number of injuries resulting from motor vehicle collisions. The councils act to co-ordinate safety improvements in all areas of driver, vehicle, and transportation operations.

The 15 members of the European Union, Australia, New Zealand, Malaysia, Fiji, Hong Kong, and many other nations have National Road Safety Councils that participate with provincial or regional councils in order to address these issues. The council's are required to report annually to their respective legislative bodies on developments in research, traffic engineering, youth education, public communications, and inter-jurisdictional information exchange.

In Canada, there is an existing structure that could facilitate such an approach. Currently each provincial government participates in a Canadian Council of Transport Administrators (CCMTA). In 1996 this council adopted a Road Safety Vision 2010, which was officially endorsed by all the Ministers of Transportation and Highway Safety. The vision is a national effort with widespread support from various levels of government, key stakeholders, and the general public. Its goal is to make Canada's highways the safest in the world.

The mandate of the Road Safety Vision 2010 is parallel to the tasks set by the numerous Road Safety Councils of other jurisdictions. The goal is to raise public awareness of road safety issues; improve communication and collaboration among road safety agencies; develop more effective enforcement strategies to deal with problem areas such as impaired driving, seat belt usage, repeat offenders, and high risk drivers; and to improve the collection and quality of data to ensure that road safety programs are practical and cost effective.

The challenges that prevent Manitoba from more adequately partaking in the national mandate involve both the extent of the mandate's defined goals and the relative isolation of the various partners who must co-ordinate to make significant strides in the identified areas. The departmental structure of provincial government is not necessarily conducive to a coordinated effort that involves various departments and agencies (i.e. TGS, MPI, Health, and Justice), extends to stakeholders and the broader public, and intends to establish communications and share best practice knowledge with other jurisdictions.

Yet, considering the personal and property costs of motor vehicle collisions and the expressed interest in road safety emphasized by Manitobans through the consultation process, something should be done. New methods must be explored that allow a more comprehensive and aggressive attempt to reduce human and property losses associated with motor vehicle operation. Such a model and a national umbrella is available in the CCMTA, but provincial participation in the national directive should be enhanced.

The Steering Committee concludes that there needs to be a more coordinated approach to road safety in Manitoba. Further, the committee has reviewed and explored a number of options for the creation of a Road Safety Council that would serve to co-ordinate the efforts of governmental departments and the broader public. Regardless of the acceptance of any specific option, however, the Steering Committee recommends that the following items be taken into account in order to better address the safety concerns of Manitobans:

1.1 That the Provincial Government consider establishing a Manitoba Road Safety Council (MRSC) or some such body to co-ordinate the efforts of various ministries in their efforts to enhance the safety of Manitoba's transportation system. The council should involve the Ministry of Justice, the Ministry responsible for MPIC, the Ministry of Transportation & Government Services, and the Ministry of Health/Healthy Living.

1.2 That the coordinating body be charged with the responsibility of:

- Coordinating the efforts of the various Ministries, in conjunction with input from stakeholders and inter-jurisdictional information, in order to enhance the effectiveness of transportation safety initiatives.
- Promoting and coordinating public safety, education, and advertising, for both on and off road vehicles.
- Reviewing annual accident statistics and developing plans to mitigate accident frequency and severity.

1.3 That the MRSC adopt targets for the reduction of transportation related accidents and provide annual progress reports to the Legislative Assembly.

1.4 That a longitudinal study be initiated to track hospital and rehabilitative costs of accident victims in order to identify the potential reduction in healthcare costs associated with increased funding for transportation safety.

1.5 That the MRSC seek the advice and participation of transportation stakeholder groups, emergency response providers, National and Municipal Police forces and Municipal Governments.

1.6 That safety standards developed for highway planning, design and construction include transportation safety targets. These standards should also include timely reviews of warrants for twinning and upgrade of separations on major highways.

1.7 That the safety standards for remote airports be reviewed to ensure that facilities are safely designed and that safety issues at Northern Airports are identified. The committee further recommends that funds received be focused on the development of safety initiatives.

1.8 That, where possible, transportation infrastructure be designed to accommodate pedestrians, cyclists and mobility disadvantaged.

1.9 That the appropriate laws, regulations, compliance policy and procedures be reviewed to determine their effectiveness and to further promote the safe operation of vehicles. Such reviews should cover both vehicle conditions and driving skills, including:

- Ignition interlock for conditional drivers;
- The effectiveness of external jurisdiction legislation regulating the use of cell phones by drivers in moving vehicles;
- The use of bicycle helmets;
- Implement standard field sobriety testing;
- A vehicle safety fitness certificate renewal program for those safe vehicle certificates exceeding three years;
- Consider the further use of technology to supplement and enforce speed limits and intersection safety for the provincial highway network in specific high risk areas;
- Implement traffic incident related electronic data collection systems for various enforcement personnel;
- Implementation of a driver licence re-certification program for licenced drivers involved in at fault accidents or serious moving violations. This is to ensure that driver skills are maintained at an appropriate level;
- Passengers limited to the number of functional seatbelts in a vehicle;
- Increased financial penalties for failure to wear seatbelts.

## 2. EQUITABLE ACCESS

Manitobans expressed that they were proud of the extensive transportation network in our province because it links most communities and unites Manitobans across our vast landscape. Further, there was an express desire to maintain and enhance the extent of the existing system. Equitable access to the transportation system for all Manitobans was identified as a high priority item during the public consultations. Most Manitobans consider the ability to access essential services through basic mobility, as well as access for daily activities and social interaction, to be fundamental rights. Residents living in 39 remote northern communities, however, continue to lack year-round ground transportation. Whether travelling to work, to school, to access health care, or to attain social services, these Manitobans are often faced with long journeys and in some cases need to rely on unreliable road, rail, ferry or air services. Inclement weather further complicates the situation and poses another set of challenges to overcome.

Workshop participants in northern Manitoba stated that transportation costs in the north are very high and affect all aspects of life (social and economic development, education, health care, nutrition, etc.).

During the consultation meetings in remote and isolated communities, the Steering Committee visited many of the northern stores and community halls. The meetings occurred during the middle of winter when products are transported by semi-trailer over winter roads. During the warmer months, products must arrive by air transport and prices escalate considerably.

It was the observation of the Steering Committee that products such as milk and bread were four times more costly than in the larger population centres such as Winnipeg. Fresh produce, a common item on southern supermarket shelves, was either not available or in such poor condition as to be unacceptable, but was offered for sale nevertheless.

The safety features of air service, as it is offered to diverse northern communities, vary considerably. Some remote community airports have the advantage of beacon marked runways activated from approaching aircraft. A community such as Shamattawa has the runway located immediately next to the community so that during inclement weather conditions (such as fog) pilots can mistake the community streetlights for the terminal marker lights. The potential for tragic consequences is apparent.

The condition and features of remote airports also vary considerably. Some are built upon islands away from the major community. Some runways allow little or no room for error. The length of such runways can vary, limiting the size and type of aircraft that can service the community and resulting in less efficient service for communities with short or narrow runways.

The Steering Committee recommends that the following projects be examined and prioritized:

2.1 That approved safety beacons become standard at all uncontrolled airstrips. Where possible, runways should not be located immediately adjacent to communities.

2.2 That, where possible, airstrip length become standard (5000 ft) in order to accommodate larger and more efficient cargo type aircraft.

2.3 That runway hazards be removed from approach zones.

2.4 That the Provincial Government partner with the Federal Government and either investigate the feasibility of an isolated community fuel re-supply, similar to that presently utilized in Nunuvut, or investigate the possibility of contracting for such services with existing service providers.

2.7 That winter roads be aligned to the planned permanent road. That a plan be developed for the installation of bridge structures and culverts to extend the annual life of the winter road network.

## 3. SUSTAINABLE FUNDING

The public raised concerns about the fact that infrastructure rehabilitation needs are exceeding currently available funding. Manitobans also expressed a desire for more participation and funding from the Federal Government. The public indicated that despite the Federal Government's refusal to invest all fuel taxation revenue into transportation infrastructure, Manitoba must move forward with finding its own solutions to our transportation challenges. In other words, given the absence of adequate federal support, we must develop a system for delivering transportation that maximizes efficiency, feasibility, and sustainability.

This is not to say that such initiatives should proceed on the assumption that federal funding will never be available. Indeed, recent federal policy has directed a greater percentage of fuel taxes back into the provinces from which they are collected. This is a positive step that will help us to meet our transportation challenges, but the public also insists that the Manitoba Provincial Government continue to pressure the Federal Government to fully reinvest all revenue collected from the taxation of fuel back into the provincial transportation system infrastructure.

Manitobans suggested that the provincial government investigate alternative funding sources, such as public/private partnerships or user-pay systems, as possible solutions. In order to achieve sustainable funding for our transportation infrastructure, Manitobans suggested an increase to fuel tax, on the condition that such fuel taxes are directed into a fund specifically dedicated for transportation infrastructure renewal.

Manitoba has a total Roads & Transportation Association of Canada (RTAC) road network of over 6900 km. This allows trucks to carry heavier payloads and larger

dimensions than other roads. Of this total, 5040 km are designated full time RTAC highways. In addition there are some 1850 km of seasonal RTAC roads of which 1015 km are paved and 800 km are gravel. By TGS Departmental standards, over 1700 km of this total 6900 km RTAC network needs investment to maintain its quality.

The strategic importance of RTAC routes linking Manitoba communities together, as well as linking Manitoba with inter-provincial and international destinations, cannot be underestimated. These routes form the-backbone of our highways network through their ability to sustain heavy loads.

The Steering Committee recommends the following:

3.1 That the Department of Transportation and Government Services (TGS) be charged with the task of identifying and pursuing modal innovation and integration to improve transportation efficiencies and opportunities.

3.2 That TGS research and develop a cost allocation policy to determine and assign costs attributable to different transportation mode users, including both direct and indirect costs;

3.3 That TGS determine the extent to which transportation infrastructure use costs are being assigned and recovered by governments under existing fiscal practices;

3.4 That TGS explore the option of private-public partnerships in order to enhance the development of new transportation infrastructure, particularly for those communities not now serviced by an all weather road.

## 4. ENVIRONMENTAL STEWARDSHIP

Manitoba's roads, waterways, railways and aviation facilities are important elements of our transportation system and are vital to our economic and social well being. Transportation, though essential, has the potential to adversely affect our environment. Environmental impacts include air and water pollution, the loss and fragmentation of agricultural land, interference with wildlife habitat, greenhouse gas emissions and noise pollution. Resources extracted for the construction and operation of transportation facilities also impact our environment.

The Provincial Government has taken steps to mitigate the environmental impacts of transportation and must continue to do so. Challenges include minimizing the adverse impacts to the natural environment, minimizing travel demand (i.e. vehicle kilometers traveled), reducing greenhouse gas emissions and other pollutants, pursuing and promoting alternate means of transportation and incorporating the full costs of transportation into fiscal recovery system mechanisms.

The public strongly opposed the excessive use of fossil fuels. The Steering Committee heard that more innovation and "thinking outside the box", particularly with respect to transportation modes and materials, is required to achieve this goal. Proposals such as a moratorium on rail line abandonment, increased investment in rail transportation, and the development of airships were put forth as alternate solutions to the challenge of providing goods and services into rural, northern and remote isolated communities.

The Steering Committee recommends the following:

4.1 That the Provincial Government continue to design and implement a climate change strategy that focuses on transportation, that distinguishes between urban and rural settings, and that addresses emission reductions through adaptation, outreach, and awareness. (Rapid Transit, car free days, high vehicle occupancy, vehicle emissions testing.)

4.2 That the Provincial Government develop and adopt environmental performance indicators that can be used to evaluate policies and programs relating to the provincial transportation system.

4.3 That the Provincial Government work in partnership with industry to design a greenhouse gas emissions reduction strategy. This strategy would focus on the operation of fleet vehicles and the heavy equipment fleet.

4.4 That, where possible, the Provincial Government establish and promote anti-idling guidelines for provincial fleet vehicles and private sector vehicles that provide services to government.

4.5 The Provincial Government mandate the implementation of alternate bio-fuels and hydrogen transportation fuels in government vehicle operations.

4.6 The Provincial Government, in addition to maintaining the provincial fleet and construction equipment in accordance with best environmental practices, benchmark and reduce the utilization of government vehicles wherever such is possible.

4.7 That Transportation & Government Services be involved when new development is proposed, prior to any development approval, in order to ensure that T&GS transportation design criteria is incorporated, specifically as it pertains to traffic generation, safety, and efficiency.

4.8 That TGS and transportation stakeholders research and adopt best environmental practices from other jurisdictions.

4.9 That the Provincial Government promote the use of environmentally friendly vehicles through the adoption of such measures as a reduced registration fee for such vehicles.

4.10 That the Provincial Government and TGS develop an education program to inform the public about the costs associated with the operation of our transportation system. This could be accomplished through driver education programs, licence renewals and public awareness advertising.

## 5. ECONOMIC DEVELOPMENT

Transportation plays an essential role in economic development and a well designed, efficient transportation system is critical to maintaining a healthy and competitive economy. Our transportation system underpins the provincial economy that is heavily oriented to external trade. Effective competition in the global marketplace requires a transportation system that is responsive and adaptable in meeting ongoing demands in a reliable, cost competitive manner. A dynamic and efficient transportation system is essential to Manitoba's sustainable economic future.

Our system plays a multi-faceted role in supporting economic activities ranging from resource extraction, agriculture, manufacturing production through to retail trade. Appropriate investments in transportation will drive economic growth by improving reliability, travel times, and service levels. In northern Manitoba, transportation holds the key to unlocking our province's enormous tourism and natural resource potential.

One specific area in which transportation directly bears on economic growth and opportunity is the RTAC system. Approximately 17% of our two lane RTAC network is warranted for spring weight restrictions each year. Spring road restrictions, by reducing allowable vehicle weights, are applied by the Department to protect surfaced highways from damage during the thaw conditions in the spring. These restrictions, however, also inhibit the capacity of our transportation system to move goods, as well as make the inter-provincial transportation of goods more difficult because vehicles are subject to varying weight restrictions through the course of a journey. Ideally, reducing the need for spring weight restrictions and allowing maximum allowable loading would facilitate a more efficient transportation network. Unfortunately, the estimated cost of attaining this ideal is approximately $60 million per year.

A more modest annual investment, however, would eliminate the necessity of implementing level two weight restrictions. The Department employs a two level restriction system, with level one restricting loads to 90% of maximum allowable capacity and level two restricting loads to 60% of maximum allowable capacity. While the ideal involves maintaining maximum allowable capacity on all RTAC roads, significant progress would be made by eliminating the need for level two restrictions. The level two restrictions are indeed the most critical transportation impediment to Manitoba's rural and agricultural communities and could be eliminated at an estimated cost of $5 million annually.

During 2020 Workshops, many participants felt that transportation policy has not adequately anticipated or adapted to the changes in the agricultural industry as they have occurred. This lack of adaptation, coupled with rail line abandonment and deficiencies in the Transportation Association of Canada, heavy haul, road (RTAC) system, has affected the economic prosperity of some areas of the Province. Workshop participants indicated that it would be advisable to structure an RTAC system that can be more flexible so that new business opportunities requiring a gateway onto RTAC routes, can be accommodated.

The Steering Committee recommends that the Provincial Government prioritize and begin to pursue the following items. The subsequent list reflects long term and costly investments that would meet a transportation ideal in terms of economic development. Obviously, the practical attainment of such a vision requires long term prioritization of suggested items:

**5.1** Undertake joint planning with business and local governments in order to identify and assess transportation prerequisites for economic development. Specific target areas of such development include resource, tourism, and production opportunities.

**5.2** Develop stakeholder partnerships with the intention of establishing new trade and travel routes and supporting the expansion of economic activity.

**5.3** Begin to establish a funding partnership between Federal, Provincial and First Nations Governments (and other stakeholders) to initiate the development of an all-weather road for the East Side of Lake Winnipeg and other isolated communities.

**5.4** Upgrade regional and northern airports to safely accommodate larger aircraft as a means of reducing freight and passenger costs.

**5.5** Continue to pursue development of the Winnipeg Airport as a major airfreight and passenger hub.

**5.6** Identify investment streams required to support highway twinning programs, system preservation, safety and other congestion enhancements. Develop criteria and assess the benefits and costs of each investment area in terms of a "best value for money" ranking.

**5.7** Identify inconsistencies in the application of federal and provincial regulations, especially when such may have an adverse impact on transportation facilities and services that ultimately support the flow of trade through our province.

**5.8** Investigate the potential for the establishment of inland ports or foreign trade zones. These zones could be duty free sites, situated near inter-modal transportation facilities, designed to encourage innovative industry and add value to goods moving through our province.

## 6. MULTI-MODAL SYSTEM

Throughout Manitoba's history, each distinct mode of transportation has evolved independently of the others and there has not been significant emphasis on the possibility of integration. Global economic trends are putting increasing emphasis on the reliability and speed of freight transportation services. There is now a growing need, if Manitoba is to remain competitive in the context of transportation demands, for business to better utilize the strengths of the individual transportation modes through intermodal connections. In many cases, transportation of goods could be accomplished more efficiently through a combination of transportation modes, but such efficiency requires adequate connection points and improved regulatory processes. This integrated transportation could also give rise to other economic opportunities, both by improving trade competitiveness and creating more opportunities for business.

Through the 2020 public workshop process, Manitobans expressed an interest in stopping rail line abandonment and in ensuring that rail remained a viable means of transport in our province. Complete reliance on road-based transportation is a publicly recognized vulnerability. Thus, diversification of transportation modes was suggested to the Steering Committee as a viable solution to a significant vulnerability.

With some 18,000 km of provincial road network, 5434 km of existing rail system, a 24 hour international airport, and an inland seaport, Manitoba is suitably poised to take advantage of its strategic location and to even better position itself as a world-class trade and transportation centre. To achieve this objective, the Province must direct its attention to establishing an efficient and seamless multi-modal transportation system.

The Steering Committee recommends the following general multi-modal items for consideration by all levels of Government:

**6.1** Assign a higher priority to infrastructure improvements at intermodal transfer points and major trade gateways, including border crossings.

**6.2** Implement a regional approach for improving freight transportation by forming multi-jurisdictional partnerships of public and private stakeholders.

**6.3** Address key infrastructure bottlenecks through longer term planning.

**6.4** Encourage the Federal Government to adopt state-of-the-art technology in order to facilitate streamlined border processes. Such streamlining could also be supported through improved transportation infrastructure at borders and major connecting arteries.

**6.5** Level the playing field for all modes of transportation by working with the federal government to remove all existing obstacles to modal neutrality i.e. subsidies, unequal taxation.

**6.6** Develop initiatives/incentives that will encourage transport modes to work together on a cooperative provincial basis rather than a strictly competitive basis.

**6.7** Promote centralized intermodal terminals through active participation with private industry, especially in the initial planning for the establishment of such facilities (i.e. bus, rail and airport terminals). Encourage the development of such terminals through seed funding support, tax exemptions, interest free loans or loan guarantees. Harmonize different legislative requirements and security processes.

The SC recommends the following relating to air cargo services:

**6.8** That TGS and transportation partners research, develop, and market polar air routes.

**6.9** That TGS continue working to improve airport and runway operations throughout the province.

**6.10** That the Provincial Government encourage alternate modes for commercial transport through public/private partnerships.

The SC recommends the following rail services:

**6.11** That the Provincial Government promote rail revitalization and short-line railway operation by establishing a regulatory framework (Provincial Railways Act) that would further encourage and facilitate private sector investment in shortline railways.

**6.12** That, where feasible, the Federal and Provincial Governments consider entering into a public/private partnership for the operation of remote community rail lines scheduled for abandonment. This option should be explored when rail line purchase is less costly than the construction of a new road to the community.

**6.13** That the Provincial Government establish a legislated landbank and railway infrastructure in order to preserve abandoned railway lines and other linear corridors for potential future railway or other modal use.

**6.14** That the Provincial Government continue its attempt to work with rail companies and establish training and education programs in order to rejuvenate an aging railway workforce.

## 7. INNOVATIVE TECHNOLOGY

Society is changing at an ever accelerating rate and new technologies are arising faster then ever. In order to ensure that Manitoba's transportation system benefits both socially and economically from such change, we must ensure that we keep pace with

technological advances. In addition to implementing transportation related technologies and innovations as they become available, we must also continue to research and develop new technologies ourselves. Employees, educational institutions, and local businesses are central to the development of any new initiatives.

During the 2020 workshops, Manitobans expressed that more innovation and research is needed to obtain a safe, efficient, and sustainable transportation system for the future.

The Steering Committee recommends the following:

7.1 That Canadian provincial jurisdictions, through the Canadian Council of Ministers of Transportation, establish a pro-active Council for Innovative Transportation. This council would investigate, research, and develop new transportation related technologies (such as Airships and Hovercraft) and share best practice wisdom across all federal, provincial, territorial and municipal jurisdictions.

7.2 That the Provincial Government continue to provide staff and financial support to post-secondary educational institutions involved in transportation research. Further, partnerships with industry will promote the development of innovative construction and maintenance techniques for application to our transportation infrastructure.

7.3 That the Provincial Government ensure that TGS staff receive ongoing training and opportunities to keep abreast of current industry best practices.

7.4 That the Provincial Government support efforts by the City of Winnipeg to establish rapid transit.

7.5 That the Provincial Government promote the development and use of alternate fuel vehicles in Manitoba.

## 8. SYSTEM EFFICIENCY AND EFFECTIVENESS

Over several decades of restrained federal funding for highway capital improvements, provincial governments have managed to provide a modest level of services. Successive years of under funded infrastructure investment have taken its toll on the quality and the reliability of our network, as well as its capacity to adapt to new initiatives.

As a major part of transportation infrastructure, our provincial highways system plays a crucial role in allowing Manitoba to effectively compete in a global market. Accessible and efficient transportation networks are also major considerations for industry location and expansion decisions, including those made by foreign investors.

During the 2020 public meetings, Manitobans indicated that the Provincial Government, in addition to striving to maintain the current network, should also continue to plan for important developments and investments, despite current funding obstacles, in order to enhance the transportation system's efficiency and effectiveness. Future developments must consider a number of important factors, however, and should not be determined strictly based upon intensified economic activity in a specific region (although this remains a significant consideration). Other significant considerations include safety factors such as traffic counts and the quantity and severity of accidents on a given roadway. For example, major highways (such as #1, #16) should be twinned and RTAC routes should be upgraded, including the completion of the Winnipeg Perimeter Highway.

The Steering Committee recommends the following:

8.1 That local governments work together and solicit opinions of the transportation and public stakeholders within their regions, through some structure like a Regional Planning Advisory Committee, in order to provide advice to T&GS concerning the identification and development of RTAC routes .

8.2 That TGS implement a systematic approach to upgrading the core RTAC system, including improving the load carrying capacity of bridges.

8.3 That TGS investigate the feasibility of developing by-pass routes on major economic highways so that urban centre bottlenecks are removed.

8.4 That the Provincial Government establish Limited Access Highways for all major economic routes with legislated access control decisions vested within the Department of Transportation & Government Services.

8.5 That TGS plan and implement a reduction in the number of access points on the Limited Access Highways. By removing redundant access, high-speed safety hazards, congestion, and disruption of highway traffic flow can be significantly reduced.

8.6 That the Department of Transportation & Government Services develop a policy to charge developers, in whole or in part, for needed highway improvements caused by development. Cost of development should be based upon the proximity to highways and the traffic generated by the development. This should be in addition to the actual costs incurred by gaining access to a highway and an additional convenience fee should be charged for high profile locations.

8.7 On major economic corridors promote system efficiency by replacing signaled intersections with grade separation interchanges when such is feasible.

8.8 That TGS implement policy that will help identify need and guide the construction of passing lanes. This will facilitate safe passing on highway zones that demonstrate significant traffic congestion and safety concerns.

8.9 That TGS research measures that will facilitate the transition between transportation modes (i.e. Airports to truck and rail to truck).

8.10 That TGS, in conjunction with representatives from the transportation industry, review operational procedures, regulation and policy with a view to improving transportation efficiency and safety.

## 9. INFRASTRUCTURE DELIVERY

Manitoba, like most jurisdictions in Canada, has been seriously challenged in its capacity to maintain its transportation infrastructure, predominantly due to a lack of sustained federal funding.

Many 2020 workshop participants have stated that Manitoba should consider innovative options for managing infrastructure delivery. New governance models, such as the introduction of transportation authorities or special operating agencies with dedicated revenues, have been suggested as a potential avenue for the Provincial Government to explore. This would be a significant departure from the way we now manage our transportation system. Other options for improving the way we deliver services have been proposed, however, that simply require policy changes and/or a sustained funding regime for transportation infrastructure. The consultations revealed that the public's goal in introducing alternate methods of infrastructure delivery was predominantly intended to increase local control over the distribution of funds.

The current practice of deferring needed maintenance on our existing system, because reinvestment needs exceed available funding, not only impacts service to the public, it reduces the value of the assets, results in higher costs, and places a heavy financial burden on future generations of Manitobans.

Many provincial highways and roads pass directly through Manitoba communities and are built and maintained at Provincial Government expense. The City of Winnipeg maintains its own infrastructure with some assistance from the Provincial Government while in Manitoba's second largest city, Brandon, many main arteries are maintained at the expense of the Provincial Government.

During public workshops, Manitobans stated that our province needs to commit first and foremost to the rehabilitation of existing infrastructure in order to maintain the value of our highway assets. This is recognizably the public's highest concern and ought to weigh heavily in any discussions and decisions involving the prioritization of transportation projects. Many workshop participants were of the opinion that all roads in the Province should immediately be brought up to standard and ongoing maintenance of the system

should be based on sound asset management practices involving life-cycle costing. Though this is ideal, the stated costs of accomplishing such a task are the true challenge. Thus, many of the recommendations of this Committee involve restructuring service delivery and encouraging the Federal Government to return all fuel tax revenue or to take a leadership role in sustaining all major economic corridors.

In 1998, the Office of the Auditor General released a Value-for-Money Audit report. The report included a section on planning for highway construction, rehabilitation and maintenance with detailed findings and recommendations. The Auditor General recommended that the Department of TGS adopt a least lifetime cost approach to highways maintenance and construction.

Studies from various governmental jurisdictions demonstrate that the optimum point to rehabilitate a highway was at approximately eighteen years. If rehabilitation is deferred until the age of the highway is approximately 23 years it will cost some 6 times more to rehabilitate. In Manitoba, the average age of our highway infrastructure is 21 years.

The adoption of a least lifetime cost approach would require an immense infusion of capital (in the order of some $3 Billion) that is currently unavailable. Rebuilding roads that appear to be in good condition would come under public scrutiny and raise many questions directed at the wisdom of such decisions. A more practical approach may be advisable, namely, establishing a timeline detailing the number and cost of repairs anticipated on a given section of highway, prior to reconstruction. In this way, more feasible goals can be mapped out and the public will be aware of the need for such repairs prior to witnessing the reconstruction of apparently adequate roadways.

The Steering Committee recommends the following:

9.1 That the Provincial Government commit foremost to the rehabilitation of existing infrastructure in order to maintain the value and quality of our transportation assets.

9.2 That the Provincial Government consider adapting new methods of infrastructure delivery that both allow for increased sustainability of funding and increased local determination concerning the distribution of funds.

9.3 That the Provincial Government commit to a multi-year funding/programming model in order to ensure that projects are delivered as planned and completed within the appropriate time frame.

9.4 That the Provincial Government establish a process to provide the program with flexibility to allow funds to be carried over into successive years, right through to the completion of heavy construction projects.

9.5 Transportation summer and winter maintenance programming, rehabilitation programming, and new capital programming should be funded and accounted for separately.

9.6 Establish benchmark safety and maintenance costs per km of road which, if exceeded, triggers possible reconstruct.

9.7 Adopt practices to reduce the overall cost of construction projects.

9.8 Consider conducting an analysis of the main market road system to determine which of those roads should be assigned provincial or municipal authority.

9.9 Develop marketing strategy to inform the public on transportation matters including annual maintenance and construction programs, expenditures, organization decision making, etc .

In the 2004/05 provincial budgeting process, the provincial government moved from an annual pay as you go system of funding transportation system infrastructure to an amortized accrual method. This method allows the capitalization of system improvements with the associated costs to be borne over the useful service life of the asset. This method, while recognizing the urgency of timely investments in upgrading our transportation infrastructure, requires sufficient revenue to sustain both the amortized costs and additional capital projects.

As a result of the Manitoba Balanced Budget and Taxpayer Protection Act, the provincial treasury is precluded from transferring transportation revenues to a new arms length entity. Any such revenue transfer must also be shown on the Province's consolidated statement as an expenditure, requiring the provincial treasury to find and apply an offsetting amount to balance the Province's books.

While this matter has been challenged and a further review of the rule has been requested, this rule will render an arms length agency ineffective. Such an agency was recommended by the public through the 2020 public consultation and steering committee process. Due to the accounting rule #3050 (Appendix A), however, the Steering Committee cannot simply recommend the establishment of an arms length agency. The consultations also revealed the public purpose behind the establishment of such an agency, namely, to allow longer term planning and more local control over the distribution of infrastructure funds. The Steering Committee therefore recommends that the Provincial Government attempt to accomplish these goals either through the establishment of some alternate mechanism or by changing the accounting rule in order to accommodate the establishment of an arms length agency.

## 10. EFFECTIVE PLANNING & MANAGEMENT

A collective vision for Manitoba's transportation system must start with the public consultations process, but can only be implemented with effective planning. In order to ensure effective planning and efficient management of our transportation system we must first have the appropriate information and tools to accomplish our objectives.

Through the 2020 workshop process, Manitobans expressed the belief that inadequate planning, in addition to political influences, both extending into far into the past, have resulted in negative consequences for our transportation system.

At several workshops, and in particular the Westman workshops, the 2020 Steering Committee heard from a number of participants representing various Rural Municipal councils. The councilors expressed a desire to have more input into the planning and prioritizing of provincial highway projects. They argued that such input is essential if the municipalities' own long term goals and economic development plans are to be adequately considered in the decision making process.

In discussion concerning this issue, a solution that would enable better co-ordination and planning between Provincial and Municipal governments was suggested. A mechanism for co-operation amongst the jurisdictions is needed, and the public suggested that consultations similar to the Provincial Governments efforts in the 2020 process were very valuable. It was generally recognized that an open dialogue amongst key players promotes understanding, facilitates cooperation, and helps to ensure that our transportation system is effectively planned and efficiently managed.

The Steering Committee recommends the following:

10.1 That Minister of Transportation & Government Services allow for greater local direction in determining the priorities of transportation infrastructure and the distribution of funds.

10.2 That TGS encourage the establishment of some mechanism that facilitates communication amongst stakeholders at a regional/municipal level in order to further support local direction of transportation infrastructure funding. One such mechanism might be Regional Planning Advisory Committees (RPAC).

10.3 That each RPAC or similar mechanism should, for example, be comprised of representatives from stakeholder groups with an interest in their respective region. Possibilities include the Mayor/Reeve/Chief (or designate) of each municipality, industry/agriculture (joint industry standards committee, KAP, MTA forestry, mining), environmental organizations and the public at large.

10.4 That they may also provide transportation safety advice to the MRSC.

10.5 Adopt formal cost-benefit, socio-economic, and safety analysis tools for determining the economic justification and priority of transportation and infrastructure projects;

10.6 Establish a process to conduct post-implementation reviews of completed construction and rehabilitation projects. This would help to determine whether anticipated benefits were achieved. The Department of TGS should use the results of these reviews to enhance the planning and delivery of future projects.

While the Steering Committee understands that there are province-wide transportation system imperatives, and from time to time negotiated agreements with the Federal Government, Municipal governments and industry, the Provincial Legislature should be the deciding body for capital investment. This will allow for transparency of regional interests and open accountability of elected representatives through the Legislative process.

## 11. POLITICAL COMMITMENT AND ACCOUNTABILITY

When 2020 workshop participants were first confronted with the size and complexity of the transportation challenges facing our province, it was clear that many were unaware of the enormity of the challenge. Participants often suggested that such challenges could better be solved through partnerships. Partnerships envisioned included those across various levels of government (provincial, inter-provincial, federal, municipal and First Nations), those with the private sector (private/public partnerships), and those with industry (mining, forestry, trucking etc.).

2020 Participants expressed the view that the transportation development activities of our provincial and municipal governments often seem incompatible They also expressed the belief that long-term transportation needs were often lost in the over-all concerns of government. The inference drawn from these two beliefs led to the public suggestion that our transportation needs could be better addressed through a mechanism, such as a subsidiary agency, that allows for more local input into infrastructure decisions.

There was general consensus amoung the Steering Committee members regarding the following broad approaches:

- Transportation must be a higher public priority in Manitoba;
- There is a need to establish or implement an organizational structure that allows for more local input and decision making capacity.
- The transportation system must be safe, innovative, financially and environmentally sustainable, and foster a competitive economy.

Based upon public comments, the Steering Committee developed the following five specific objectives:

1) Fund our transportation system to levels sufficient to sustain, improve and where possible expand it according to planned priorities.
2) Communicate regularly with the public regarding the problems, priorities and achievements of our transportation system.
3) Consult with the public in order to identify possible solutions to the challenges within our transportation system.
4) Evaluate Manitoba's transportation system and provide a report of the findings on an annual basis. Evaluate, and report annually on the state of Manitoba's transportation system.
5) Monitor investments in our transportation system to ensure value for money on public and government transportation priorities.

Many members of the public are unsure how the transportation system investment decisions are currently made. They are also largely unaware of who actually makes the decisions, how much revenue is derived from fuel taxes, and how the collected revenue is used. Some members of the public inquired about the level of revenue derived from each community of the province. The Department of Finance, Taxation Branch collects the revenue but admits that no readily available method exists that would allow identification of the specific sources of fuel taxation collected.

It is the view of the Steering Committee that the source of the revenue is less important than the total amount of revenues collected because no community is completely independent of each other, especially with respect to a transportation system that explicitly links these communities together. For example, larger urban communities are dependent upon rural agrifood and resource-based economies while rural economies are dependent upon larger population centres for a variety of goods and services. Indeed, the transportation system makes such inter-dependency possible and makes improvements in the system, regardless of their location, of benefit to all.

While the Provincial Budget process is open for public advice, input and debate, many members of the public are still not clear on what happens to the taxation revenues collected.

Information relating to the revenue collected for gasoline and motive fuel tax can be accessed in the Province of Manitoba's Operating Fund, Statement of Revenue. It became evident through the consultation process that transparency in the collection and utilization of such revenues is essential to the public acceptance of taxation and fee levels.

The Steering Committee recommends the following:

11.1 That transportation revenue be legislated /dedicated to road/highway infrastructure;

11.2 That any revenue derived from fuel tax (or taxation charged on the sale of such fuel, i.e. GST) and returned to Manitoba from the Federal Government be accounted as transportation revenue;

11.3 That all vehicles accessing the provincial road and highway system no longer be exempt from taxation through the use of coloured fuel. (Farm and harvesting implements continue to be exempt).

11.4 That TGS post project information and awarded tender cost at the construction site of each transportation infrastructure rebuilding and renewal project. This would increase the public's awareness of the investments made with taxpayer's dollars.

The Manitobans who participated in the 2020 MTV process much appreciated the opportunity to express their opinions concerning our transportation system. They also made it clear that such public consultations were long overdue. The workshop experience was very positive in this regard and has effectively provided the opportunity to make dialogue with the public, through which advice is attained and consensus is built, a regular way of doing government business. The consultation process, now that it is complete, has forged a framework and developed a mechanism for future dialogue between the government and the public. This includes continued public participation in proposed changes to the governance of Manitoba's transportation system.

We trust that Manitobans will find the results of our collective efforts both stimulating and useful as we proceed with the attempt to modernize our transportation system through Manitoba's Transportation Vision 2020. It has been an honor to serve.

Sincerely;
2020 MTV Steering Committee.

# Appendix "A"

Accounting handbook- section 3050. The highlighted paragraph is the section that an auditor would refer to for the arrangements relating to terms of revenue transfers.

## LOANS TO BE REPAID THROUGH FUTURE APPROPRIATIONS

.10 " The amount of a loan that is expected to be recovered from future appropriations should be accounted for as an expenditure in the period when a direct relationship can be established between the repayment of the loan and a government's funding to the borrower. [JUNE 1995]

.11 Governments sometimes make loans to borrowers that will be recoverable only through future appropriations from the government to the borrower. The effect of the individual loan transaction on the government's funding to the borrower is the key in determining how to account for these loans.

.12 If a direct relationship can be established between the government assistance given to a borrower and repayment of the loan, the loan does not meet the definition of a financial asset. The government would not receive any resources from the loan transaction that could be used to discharge existing liabilities or finance future operations. Such transactions are in the nature of grants, and should be accounted for as expenditures in accordance with GOVERNMENT TRANSFERS, Section PS 3410.

.13 A direct relationship would exist if the government assists the borrower to repay the loan through:
(a) specific repayment grants; or
(b) increases in existing government assistance as a result of the loan.

**There may be other financing arrangements that, in substance, result in a direct relationship between the repayment of a loan and the government's assistance to the borrower.**

.14 Financial dependence alone may not be sufficient evidence that a direct relationship exists between the repayment of a loan and the government funding received by the borrower. For example, if the government does not change its funding to the borrower as a result of the loan, the government will get back funds from the borrower, through repayment of the loan, that it would not have received otherwise. The borrower would manage its loan repayments within the funding it received before the loan from the government existed. In such circumstances, the loan transaction could be recorded as a financial asset.

.15 If the government assistance provided to a borrower is consistent with that provided to similar organizations which have not received government loans, this may be evidence that a direct relationship does not exist and that the loan is a financial asset.

.16 To ensure that expenditures are not overstated in future years, repayments received on loans or portions of loans, which have been treated as grants, should be offset against the related expenditures.